

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 512 - HB 553

March 24, 2011

SUMMARY OF BILL: Requires the Alcoholic Beverage Commission (ABC) to suspend or revoke a license or permit instead of imposing a fine after the third violation of selling alcoholic beverages to a person visibly intoxicated or under age 21; buying alcoholic beverages from non-licensed sources; or allowing persons under age 18 to dispense, serve, or sell alcoholic beverages.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue – \$1,500/ABC Fund
Not Significant/General Fund
Increase State Expenditures – \$800/ABC Fund
Decrease Local Revenue – \$1,200

Assumptions:

- According to ABC, an average of two establishments receive three or more citations each year for selling alcoholic beverages to a person visibly intoxicated or who is under the age of 21, buying alcoholic beverages from non-licensed sources, or allowing persons under the age of 18 to dispense, serve, or sell alcoholic beverages.
- Two licenses will be suspended or revoked by ABC each year.
- According to ABC, the average license renewal fee is \$750 resulting in a decrease in revenue to the State ABC Fund of \$1,500 (\$750 x 2). The local privilege tax is estimated to be \$600 resulting in a decrease to local government revenue of \$1,200 (\$600 x 2).
- ABC will hold administrative hearings to suspend or revoke licenses at a cost of \$375 per hearing resulting in an increase to state expenditures of \$750 (\$375 x 2).
- License suspensions or revocations will eliminate state and local tax revenue generated from the sale of alcoholic beverages at the offending establishment resulting in a not significant decrease to state and local revenue.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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